

# Building Energy Awareness Brings Benefits to Multifamily Buildings in Des Moines

## Benchmarking and Transparency for Des Moines' Multifamily Sector

Energy benchmarking and transparency, the process of measuring building energy data over time and comparing it to similar buildings, gives owners and operators of large buildings information about their building's energy usage. There are 125 low income housing apartment complexes which contain 6,421 affordable apartments for rent in Des Moines, Iowa<sup>1</sup>. **223 multifamily (MF) properties** would be covered under a benchmarking and transparency policy addressing buildings larger than 25,000 square feet according to Polk County Assessors' list of commercial buildings. The multifamily sector therefore makes up **27%** of the buildings that would be covered by the ordinance, or **21% of the square footage** covered by the proposed ordinance.



Benchmarking building energy data helps building owners and operators manage their energy usage to reap financial and societal benefits such as reduced energy bills and better quality of living for residents. Energy usage data can help owners to prioritize investments that will stabilize or reduce utility and operating expenses, enhance customer satisfaction, encourage owners to make efficiency investments that help the utility meet its efficiency goals, and allow for the increased health and comfort of tenants.

### Targeted Solutions

Benchmarking and transparency allows policy makers, utilities, and other program administrators to prioritize buildings with the largest potential savings and help to connect them to existing utility efficiency programs and financing options for improvements. When cross-referenced with information on affordability, energy use data can help to ensure that policies are equitable. Tenants in lower-scoring buildings are more likely to live

in outdated buildings that lack climate control, are insufficiently heated and cooled, and are poorly insulated, which impacts the health of residents and needlessly increases utility bills.

### Consumer Protection and Affordability

When building energy performance is made transparent, tenants can factor in energy costs prior to signing a lease. This helps tenants understand the full cost of a unit outside of the rent and serves as an important consumer protection. More efficient properties will have lower utility bills which means a potential resident will save more, a step that would help improve housing affordability by driving market demand for efficiency, an urgent need in Des Moines, a community with less than 30 units per 100 families in need.

### Industry Best Practice

Fannie Mae and Freddie Mac, the largest multifamily mortgage investors in the United States, require benchmarking as a prerequisite for loan applications to their Green Refinance Plus mortgage product and their Green Advantage programs respectively<sup>2</sup>.

The Housing Finance Agency (HFA) is using benchmarking information in conjunction with other resources to identify the highest use and highest potential buildings for repairs and updates.

### Conclusion

Benchmarking and transparency give cities, building owners and operators, and utilities the information they need to reduce greenhouse gas emissions, save money, and ensure that the most vulnerable populations are informed and assisted. These policies set the foundation for strong action to achieve climate goals while saving resources and ensuring the comfort and health of the residents of Des Moines.

<sup>1</sup> <https://affordablehousingonline.com/housing-search/iowa/Des-Moines>

<sup>2</sup> "Energy Transparency in the Multifamily Housing Sector." Krukowski and Burr, 2012.